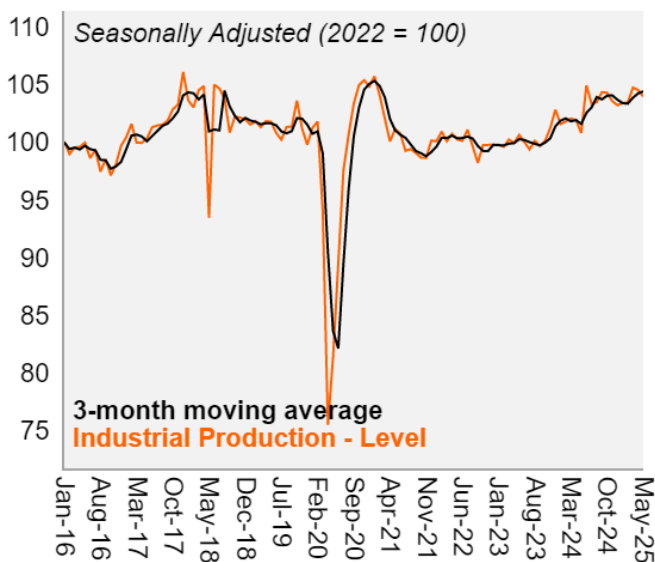


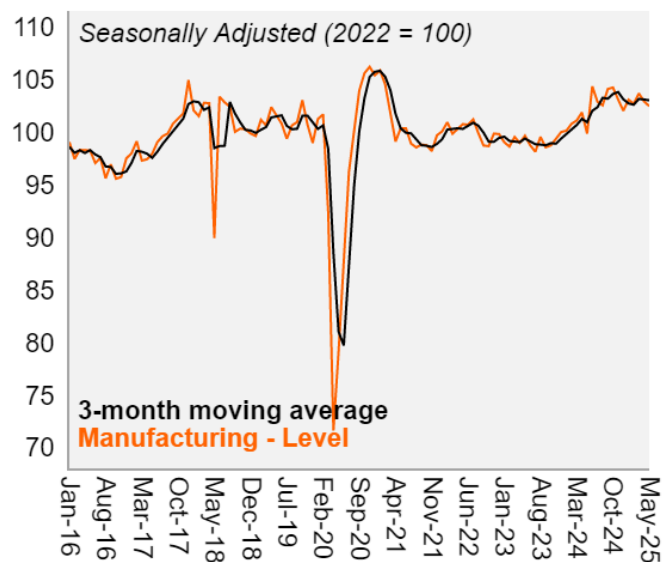
Industrial production receded 0.5% mom/sa in May

- ▶ Industrial production receded 0.5% mom/sa in May (+3.3% yoy), in line with the market's expectation (-0.5% mom/sa) and slightly above our call (-0.6% mom/sa). The breakdown shows that manufacturing fell by 0.4% mom/sa (+2.3% yoy), slightly below our estimates (-0.2% mom/sa), while mining/extractive expanded 0.8% mom/sa (+8.7% yoy), below our call (+1.2% mom/sa).
- ▶ Versus our interannual forecast, the largest negative surprise was 'Food' while 'Mining/extractive' stood out as the positive highlight (table below).
- ▶ Among the main categories, only one advanced at the margin ('Intermediate goods', which moved up 0.1% mom s/a), while the negative highlights were 'Durable consumer goods' (-2.9% mom s/a) and 'Capital goods' (-2.1% mom s/a). The breakdown shows that 48% of the sectors moved up in the month versus 52% in April.
- ▶ With today's release, the carry over of industrial production for 2Q25 now stands at 0.3%, with the following breakdown: -0.5% for manufacturing and 5.6% for mining/extractive.
- ▶ **Our view:** Industrial production was slightly weaker than expected in May. The negative surprise in manufacturing was partially offset by a stronger result in the extractive sector. Overall, industry appears to be losing momentum in the second quarter, and this trend is likely to persist in the coming months.

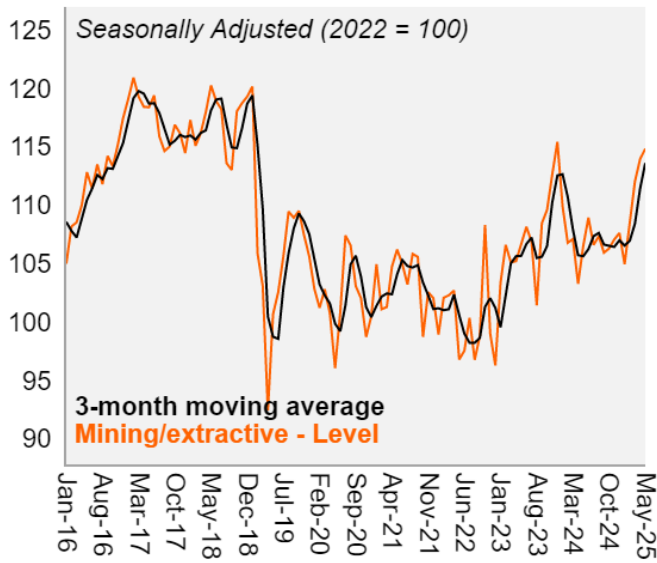
Industrial production receded 0.5% mom/sa in May



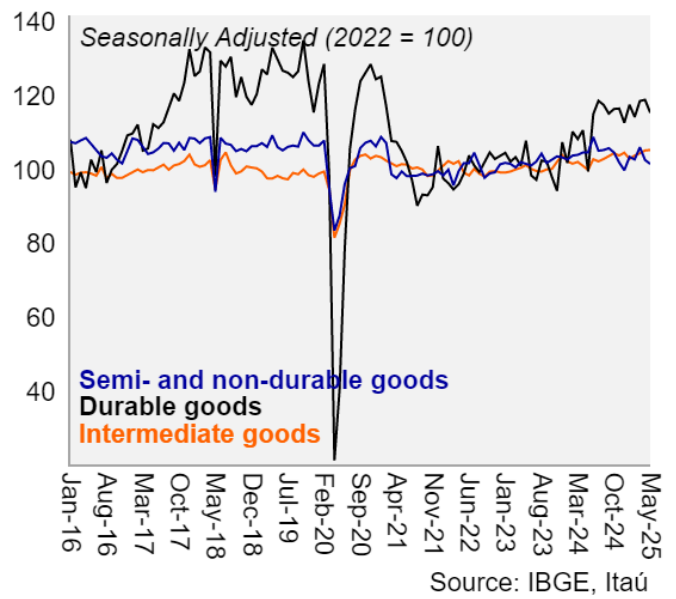
Manufacturing fell by 0.4% mom/sa



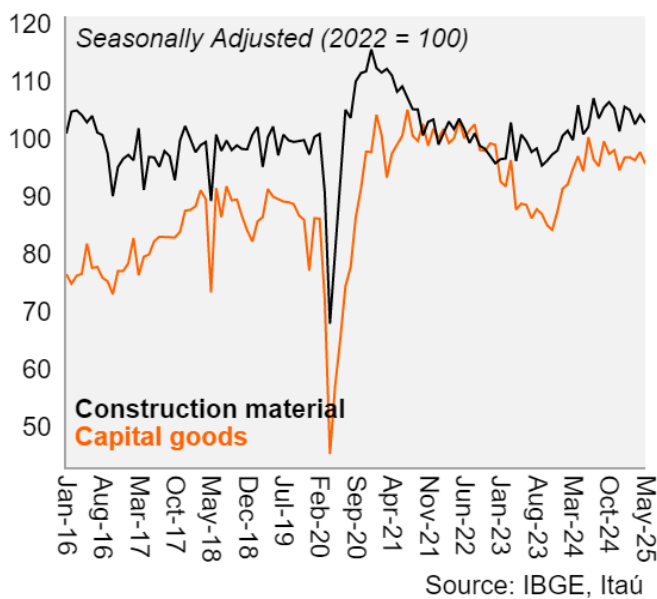
Mining/extractive moved up 0.8% mom/sa



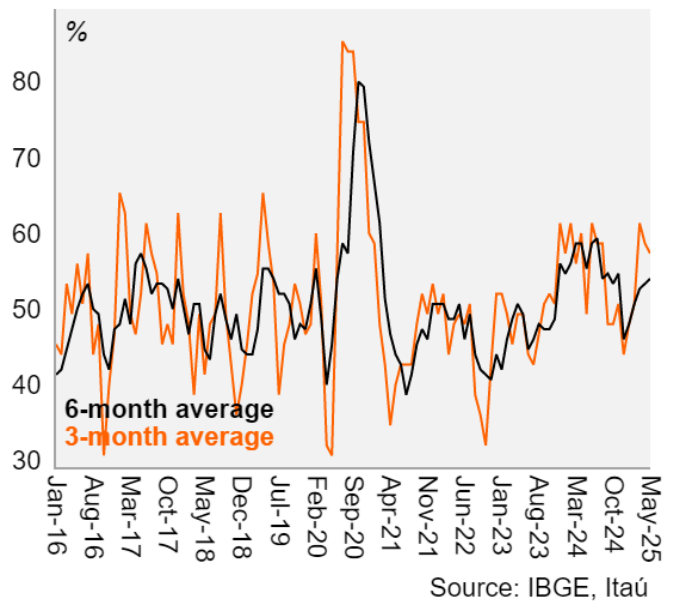
Industrial production by category



Capital goods and construction materials



Diffusion index



Industrial production - May/25 (% m/m s.a.)						
Sector	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025
Industrial Production	-0.3	0.2	0.1	1.2	-0.2	-0.5
Mining/extractive	0.5	-2.5	3.2	3.5	1.7	0.8
Manufacturing	-1.0	1.0	-0.4	1.0	-0.7	-0.4
Semi-durable/non-durable consumer goods	-2.1	3.6	-0.7	3.2	-3.2	-1.0
Durable consumer goods	-3.3	4.3	-2.8	3.8	0.3	-2.9
Intermediate goods	0.7	-1.6	0.9	0.6	0.7	0.1
Capital goods	-3.5	2.3	0.1	-0.5	1.4	-2.1
Diffusion	0.4	0.6	0.52	0.72	0.52	0.48

Source: IBGE, Itaú

Industrial production - May/25 (% y/y s.a.)						
Sector	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025
Industrial Production	1.4	1.3	1.3	3.4	-0.5	3.3
Mining/extractive	-6.6	-5.5	-3.5	5.9	10.3	8.7
Manufacturing	3.2	2.7	2.2	3.0	-2.2	2.3
Semi-durable/non-durable consumer goods	-2.4	0.3	0.3	3.2	-6.1	-2.9
Durable consumer goods	10.3	16.2	16.4	2.6	1.9	15.4
Intermediate goods	1.6	0.2	-0.2	4.0	2.0	5.4
Capital goods	12.4	6.7	8.3	-1.1	-3.6	0.8
Diffusion	0.4	0.6	0.52	0.72	0.52	0.48

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in May/25					
Sector	Weight	m/m s.a.	y/y	Itaú Forecast (y/y)	Error contr. (p.p.)
Industrial Production	100.0	-0.5	3.3	3.4	-0.1
Mining/extractive	14.6	0.8	8.7	5.5	0.5
Manufacturing	85.4	-0.4	2.3	3.0	-0.6
Food	15.1	-0.8	1.9	8.3	-1.0
Oil and biofuel derivatives	13.5	-1.8	-7.2	-5.9	-0.2
Vehicles	6.2	-3.9	12.2	8.2	0.2
Metallurgy	4.9	0.5	6.7	5.3	0.1
Chemical products	7.4	0.6	6.8	6.3	0.0
Machinery and equipment	3.8	-0.2	12.6	11.3	0.0
Metal products	3.0	-2.0	2.2	3.5	-0.0
Non-metallic minerals	2.7	-1.0	2.6	1.5	0.0
Rubber and plastic	3.4	1.6	3.5	3.9	-0.0
Beverages	3.0	-1.8	3.4	0.0	0.1
Pulp and Paper	3.7	-0.4	-1.3	-3.8	0.1
Machinery and eletric material	2.3	0.1	0.1	-0.1	0.0
Computers and electronics	2.0	0.1	0.3	-5.6	0.1
Pharmaceuticals	2.4	3.0	-2.3	-2.6	0.0
Clothing	2.0	-1.7	2.9	9.2	-0.1
Leather and footwear	1.4	3.2	7.2	3.0	0.1
Textiles	1.3	0.0	11.9	10.7	0.0
Other transportation equipment	1.1	-1.5	2.2	0.2	0.0
Maintenance of machinery and equipment	1.6	1.0	13.0	8.8	0.1
Furniture	1.2	-2.6	-0.3	1.2	-0.0
Lumber	1.0	1.8	3.6	4.2	-0.0
Prints and engravings	0.6	-3.3	-11.7	-10.0	-0.0
Diverse products	1.2	-2.0	-0.5	0.5	-0.0
Tobacco	0.4	0.9	28.4	36.7	-0.0

Source: IBGE, Itaú

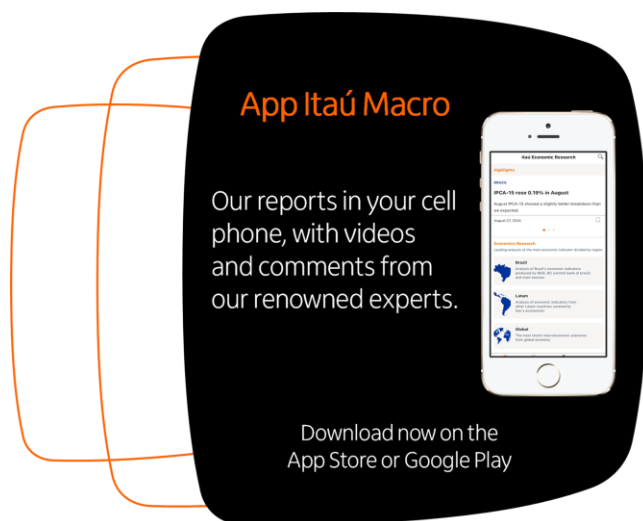
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